

Federal Reemployment of Annuitants* *April 2008*

The Coalition for Effective Change (CEC) supports an agency's need to temporarily employ experienced staff in the equitable reemployment of federal annuitants – retirees to ensure an agency's mission is achieved during staffing shortfalls and unforeseen critical demands on operational needs. CEC supports authorizing agencies more flexibility in managing the hours and length of an annuitant's reemployment for those temporarily returning to public service.

Currently, federal employees who desire to continue serving the Nation after retirement are penalized for returning to public service. This penalty comes in the form of a pay reduction to offset their federal retirement annuity. The current policy fails to offer an incentive to capitalize on the number of federal employees who leave agencies taking with them their years of valuable experience.

Congress has heeded the call and is taking steps to address projected losses of federal employees retiring from government service in Senate Bill 2003 and House of Representatives Bill 3579. The proposed legislation would authorize federal agencies to reemploy retired federal employees on a limited basis, without forcing the employee to take a reduction in salary corresponding to their retirement annuity.

The collective experience of CEC members observes that agencies experiencing critical personnel shortfalls typically need immediate relief for periods longer than currently being proposed as they move to correct staffing shortfalls through recruitment, training and contracting. Under proposed legislation an agency manager could only rehire an experienced annuitant for two months within the first six months following retirement and no more than six months in a twelve month period after retirement for a total of six years without penalty to the employee.

It is the CEC position that the 6240 hours originally projected over a six year period in the proposed legislation be authorized for a total of four years vice the original six. Further that the limitations for the first six months and subsequent twelve month cycles be eliminated.

Agencies with critical personnel shortfalls engaged in high priority missions needing to maintain high-tempo operations are challenged to undertake actions involving federal recruiting, training, and or contracting which takes increased "upfront" time. Drawing temporarily from an experienced seasoned workforce for long term solutions does not adequately take in consideration the time needed for solving shortfalls.

Under the proposed legislation, reemployment would be limited to a maximum of 520 hours (65 days) in the first six months following retirement. This is followed by 1,040 hours (130 days) in any twelve-month period, for a total of six years without penalty to annuity.

Because reemployed annuitants will not receive additional retirement benefits on their service, this amounts to a significant cost advantage in the avoidance of paying benefits over employing contractors and permanent career hires.

**The Public Manager, FEIAA and the National Academy of Public Administration did not sign on to this paper.*